

Minutes of the Regular Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Tuesday, February 16, 2021, at 6:00 p.m. at the City of South Tucson Council Chambers, 1601 South 6th Avenue, South Tucson, Arizona.

Staff Present: Veronica Moreno, Interim City Manager
 Bobby Yu, City Attorney
 Lourdes Aguirre, Finance Director
 Manny Amado, Public Safety Director
 Judy Chavez, Magistrate

Council Present: Bob Teso
 Herman Lopez
 Paul Diaz
 Akanni Oyegbola
 Anita Romero

Others: Richard Estrada, VP, LULAC

Mayor Teso called the meeting to order at 6:00 p.m., and led the Pledge of Allegiance.

ITEM #03 – MISSION STATEMENT

The Mission Statement was not read.

ITEM #04 – ROLL CALL

All members of the Council were present, except for Councilwoman Rogers and Councilman Romero, who were excused.

ITEM #05 – APPROVAL OF MINUTES – REGULAR MEETING, JANUARY 5, 2020

Mayor Teso: Are there any corrections or additions?

(No corrections or additions from the Council)

Mayor Teso: Hearing none, do we have a motion?

Vice-Mayor Lopez: Mr. Mayor, I'd like to make a motion to approve the minutes for February 2nd, 2021.

Acting Mayor Oyegbola: Second.

Mayor Teso: Okay. Going to Roll Call.

Mayor Teso: Ms. Romero.

Councilwoman Romero: Abstain.

Mayor Teso: Mr. Diaz.

Councilman Diaz: No.

Mayor Teso: Mr. Oyegbola.

Acting Mayor Oyegbola: Aye.

Mayor Teso: Mr. Lopez.

Vice-Mayor Lopez: Yes.

Mayor Teso: Aye. Does that carry?

Mr. Yu: It was a 3-2 vote?

Mayor Teso: Yeah.

Mr. Yu: That is a majority of the quorum.

Mayor Teso: Yeah, okay. Okay. Moving onto Item #06.

ITEM #06 – MAYOR AND COUNCIL MEMBERS: REPORTS OF CURRENT EVENTS; FUTURE AGENDA ITEMS

Mayor Teso: Anybody have any reports of current events?

(No current events from the Council)

Mayor Teso: None? How about future agenda items?

(No future agenda items from the Council)

Mayor Teso: Okay. Okay. Not hearing any future agenda items, we move onto Item #07.

ITEM #07 – CITY MANAGER AND DEPARTMENT HEADS REPORTS TO MAYOR AND COUNCIL

Ms. Moreno: Yes, thank you, Mayor, members of the Council. As I announced last week, we would be having training this evening for Mayor and Council, as well as Department Heads and first line supervisors. I'm going to take this off 'cause it's hard for me. But any how, so Southwest Risk was gonna come down to conduct a training on hostile work environment and I had invited, originally, you know, Mayor and Council, of course, Department Heads, and first line supervisors. However, thanks to the Judge, kind of over set my mind but we need to make sure we follow safety guidelines. So, I went ahead and cancelled it to make sure that we put the proper technology. So, we ordered some televisions so that we can hook them up and allow the employees to log in through Zoom. So, that's for a future meeting to be coming up, so it's not, obviously not going to get

done today. So that's the first item. Second item I want to let Mayor and Council know is that for a future agenda item, the next meeting will be March 2nd, which where we've tentatively invited the financial advisors to come down to talk to Mayor and Council, as well as tentatively, we'll have the training done on March 16th. So, those are the two future agenda items that I have. No further reports, Mayor.

Mayor Teso: Okay. Alright. Anybody have any questions for Ms. Moreno?

(No questions from the Council)

Mayor Teso: Okay. Moving onto Item #08.

ITEM #08 – CESAR ESTRADA CHAVEZ YOUTH MARCH – RICHARD ESTRADA, LULAC VICE-PRESIDENT

Mayor Teso: Welcome.

Mr. Estrada: Hi everybody. How are you doing?

Mayor Teso: Good, thank you.

Mr. Estrada: Nice to see you guys. And nice to (inaudible). Thank you guys, appreciate you for having me here at your Council Office and at your meeting. And it's an honor to be here at one of your guys' meetings. I know you guys are busy. So, I'll pretty much be sticking to the point. So, March 31st, there's going to be an unveiling of the Cesar Chavez statue that has been put up by the City of Tucson and the Barrio Viejo and Barrio Santa Rosa. And so what they're doing is like an unveiling that day. And so on that day, usually when it's, historically, most people march for Cesar Chavez's birthday. And it is a special honor that they are unveiling the statue on his day of his birth. So, we were considering having a march from the City of South Tucson, so a collaboration between the City of South Tucson and City of Tucson, from having a small, pandemic, COVID appropriate march with small groups, invite only, so there will be groups of us in ten people. So, like the City of South Tucson would have a group of ten people. The City of Tucson would have a group of the people. And then we'd have a group of youth that would be ten people. And so, these youth are comprised of actual students and (inaudible) students, honoring in the work of Cesar Chavez. And so, it would be a small group. I would imagine less than 60 people total. And that is completely separated; a group at a time of ten people, all contactless and everybody being separated. And that's really carrying items and just gifts to the statue. Usually that is done, historically, so we would do the same, just flowers in honor of that and maybe some murals and some people will be walking with maybe some banners. So, it's pretty much the standard march. But of course, we would make it extremely, invite, it would be invite only and very small because of the pandemic, to ensure that we make it safe for everybody and there is no issue concerning that. And so, I was hoping with City of Tucson and the organizer of that event, who is Pedro Gonzales and (inaudible) Richard Fimbres and he is, he loves the idea and he's in accordance also, and I will be speaking with Mayor this week. And I've her-, she told me that she was, she liked the idea, but if you want to get her exact paperwork saying that it's all good, but other than that, everybody seems to be okay with the idea and it seems like it would be a really nice idea to honor him, like I said, at this point, and then in collaboration, I believe, the City of South Tucson and the City of Tucson would be very poignant for the City of South Tucson so that City of South

Tucson can be more in the public's eye right now so they can see that there's a lot going on in the City of South Tucson and the future and the possibilities that we have in the City of South Tucson. So, if there's any questions that you guys would have for me.

Mayor Teso: We have the Judge.

Judge Chavez: I don't know if I can ask ...

Mayor Teso: Ms. Chavez.

Judge Chavez: ... this question or not ...

Mr. Estrada: Of course you can.

Judge Chavez: What is the route?

Mr. Estrada: Oh, the route, the route would be right here in front of City Hall and just right down 6th Avenue. So the statue that's being unveiled is at 6th Avenue and Five Points, so 6th and 18th Street.

Judge Chavez: They have the new market there?

Mr. Estrada: Yeah, where the new market's at. So, they have a Cesar Chavez statue there. You can't really see it. It's like hidden behind like a sign and a post, very odd, you know, the way that it's sitting in there. Some issues with a couple of, with that, because it's, it's not very, it's very difficult to be seen, visibly, so like you say you've probably never seen it driving by, but it is like in there and you can really drive by it and not see it.

Judge Chavez: And I go by it every day.

Mr. Estrada: I see more signs that's behind it that's been there forever, but that's not an issue for us. The, I believe that in the future, you know, there will be a little bit of change there so that there can be appropriately more, better stage for that statue, yeah.

Judge Chavez: Okay, thank you.

Mr. Estrada: But, oh, no problem, Judge. And so that's appropriately, I believe, maybe a half mile route. Not too far.

Judge Chavez: Great, thank you.

Vice-Mayor Lopez: Nine blocks.

Councilman Diaz: Is Ugly But Honest going to be removed?

Mr. Estrada: So, you know, I, that, that is up to the owner of the business, right? 'Cause he owns the property. But I have, I, I have, he is a friend of a friend of mine. And I actually know the gentleman who owns the property. So, I will, in the future, I will ask a few items of him regarding that because I believe it is an issue that the city sees, you know, the City of Tucson, and I would imagine the community and the City of South Tucson, right, see that it could be an issue. But it's definitely something that I think we can solve and make everybody happy, right? (Inaudible) business owner and then the community also.

Councilman Diaz: Just a comment.

Mr. Estrada: I know. Yeah, yeah. It, it's interesting, though, right? Like the way everything is done, but, yeah, especially Judge, like if you (inaudible) the statue, Judge, you gotta go see it.

Judge Chavez: Oh, I'll have to 'cause I have no idea where it is.

Mr. Estrada: You'll see it, 'cause then you'll see like Councilman's remark is, is pretty poignant about where the statue is, where it lies and everything.

Judge Chavez: Alright. I will look for it.

Mr. Estrada: You'll see it. You'll see it. It, it's an interesting conversation. I mean I've pr-, I, I purchased a vehicle from Wanslee, which was the original owner of that corner lot off of 18th. Probably twenty-some years ago. And before that, I purchased my first car in 1989 at W & W at Oaks, right here, actually, on, just a little bit north of South Tucson, but on 6th Avenue. And they, they used to sell cars there for like 40 years. A husband and a wife. But, yeah, it's definitely, where it is right now, so we'll see what happens. Like I say, it's a private, the ownership of the property, but I do believe it is a community issue that we could actually have the private owner do something about.

Councilman Diaz: Thank you.

Mr. Estrada: No problem, Mr. Diaz. Any other questions, you guys?

(No questions from the Council)

Mr. Estrada: Okay. Well, and I have an email and a number you guys are more than welcome if you have any questions that you have thrown at me and I'm willing to answer. And so, and you, and you guys have, you can always get a hold of me. I'm pretty accessible.

Mayor Teso: Great.

Mr. Estrada: Thank you again for ...

Mayor Teso: Okay.

Mr. Estrada: ... your time. I appreciate you guys.

Mayor Teso: Thank you. Okay. Moving onto Item #09.

ITEM #09 – RESOLUTION NO. 21-02 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, [“CITY”] ARIZONA, RATIFYING, APPROVING, AND ADOPTING THE INTERGOVERNMENTAL AGREEMENT [“IGA”] WITH PIMA COUNTY [“COUNTY”] FOR THE MANAGEMENT AND IMPLEMENTATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM [“CDBG”]

Mayor Teso: Ms. Moreno.

Ms. Moreno: Yes, thank you, Mayor. I’ll turn it over to the Finance Director, Lourdes Aguirre.

Ms. Aguirre: Good evening, Mr. Mayor, members of the Council. This is, again, one of those standard annual renewals that we get with the County. You may have noticed that there’s a significant drop in funding from last year to this year. However, the funding level that is being appropriated for this year of \$200,000 is in line with where it was year over year. What happened last year is that additional funding had been made available and appropriated for the NRSA, or General Plan. That General Plan for the City still continues to have some work to be completed and so in order to be able to accommodate that, the budget was shifted around. That additional funding of \$60,000 or so is no longer available, but, you know, they’ve made it work there as you can see in the outlined budget. So, yes, the \$200,000 is the typical funding level. And, hopefully, once that General Plan update is complete, then you can see that money again re-appropriated to those other programs. Of special note is that the JVYC program is not going to be experiencing a decrease. You will notice that there is a significant decrease of, well, actually, it’s a \$10,000 decrease in funding for Fire, for fire safety equipment. And then also, an \$8,000 decrease in Crime Prevention. However, year over year because of challenges with staffing in the Police Department, and I know that the, the Public Safety Director is here and he could attest to this, it just becomes a little more challenging to be able to run additional supplemental programs. And so, in the past, the Police Department has been able to defer some of that funding over to Fire. And that’s not to say that that can’t happen with this money here. Well, of course, at the discretion of the Public Safety Director, for him to use it as deemed appropriate. But overall, that’s pretty much what I’m looking at here.

Mayor Teso: Okay. Anybody have any questions?

(No questions from the Council)

Mayor Teso: Hearing no questions, do we have a motion?

Vice-Mayor Lopez: Mr. Mayor, I’d like the Council to approve Resolution for the Mayor and Council of the City of South Tucson, Arizona, ratifying, approving, and adopting the intergovernmental agreement, IGA, with Pima County, for the management, implementation of the Community Development Block Grant Program, CDBG.

Mayor Teso: Did I hear the Resolution numbers on that? Twenty-one ...

Vice-Mayor Lopez: Yes, ...

Mayor Teso: ... zero ...

Vice-Mayor Lopez: ... 21-02.

Mayor Teso: Okay.

Acting Mayor Oyegbola: Second.

Mayor Teso: Any other comments before we vote?

(No comments from the Council)

Mayor Teso: Hearing none, we go to Roll Call.

Mayor Teso: Ms. Romero.

Councilwoman Romero: Aye.

Mayor Teso: Mr. Diaz.

Councilman Diaz: Aye.

Mayor Teso: Mr. Oyegbola.

Acting Mayor Oyegbola: Aye.

Mayor Teso: Mr. Lopez.

Vice-Mayor Lopez: Yes.

Mayor Teso: Aye. Motion carries.

Mayor Teso: Moving onto Item #10.

ITEM #10 - FINANCE DIRECTOR'S REPORT & UPDATE: GENERAL FUND OVERVIEW

Mayor Teso: Ms. Moreno.

Ms. Moreno: Yes, Mayor, members of the Council. Thanks again. The Finance Director will be providing you with a report and update on the General Fund. She's going to cover highlights, the current position, as well as upcoming presentations that will be taking place regarding the pension debt and finally asking for a discussion of urgent needs in the Fire Department. So, I specifically asked Chief Amado if he could help us convey to the Council, once again, about the current position of the Fire Department. If you recall, back in October, Chief Amado put together an assessment. It was very well documented about the past, the history of the Fire Department, it's current position, and what's going to be happening moving forward. And as we can see, financially, our Finance Director will go over with you the City's position as far as the operations and especially as it pertains to the budget. And most importantly, I want to point out, and reaffirm, and reconvey to Mayor and Council the Fire Department and it's position and how grave it is. Especially pointing out to an NFPA and that's having to do with the retirement side established by national requirements, and asking all cities and

towns, as a matter of fact, the Chief just sent an article this afternoon about, you know, municipalities and what they must do as far as our responsibilities as communities and as elected officials to ensure that their communities are receiving the services that they, they even have as far as public safety. And I think in line with that, and ensuring that the staff also has the proper equipment to be able to provide those services. And as you already know, we've said this time and time again, you know, we do rely on an outside jurisdiction and I think that it shows a good faith effort that we, as a City, is doing what we need to do to meet our end of the obligation and ensuring that our department has the proper equipment and the staffing to be able to make sure that when we do need that assistance, and when that call does come in, at least by the time they come in to provide the assistance, that we've done our part. I don't know if the Chief would like to add to that, or wait until we get into more of a discussion on that, but I just wanted to make sure that it's kind of setting your mind as Lourdes provides you with her overview.

Ms. Aguirre: Thank you, Ms. City Manager. Mr. Mayor, members of the Council, what you were provided with for a summary outline, okay, pretty much just providing you general information, unaudited general information, of the General Fund status for last fiscal year, and current fiscal year through December, okay. To support these figures here, there is also an additional breakdown of revenues to expenditures. And pretty much, you know, the level of percentages where each one is at, both at June 30th of 2020 and December 31st of 2020. The reason for doing that is, again, these are unaudited figures. And as we continue to move through the audit process, there may be a couple of adjustments here and there, okay, that you may notice. However, possibly at a future Council meeting, I intend to present the actual detail for all the financial information for you all to review and approve at your convenience. Okay. So, first page, just again, really high level overview. For fiscal year 2020, there was a net surplus of \$211,000. Okay? Meaning that the, the fiscal year did pretty well. You guys do recall that midway through March of last year is when the pandemic started. And so there was a bit of a business shutdown for a couple of weeks there. However, it was really, really good that all of our businesses had done so well up until that point.

Mayor Teso: Right.

Ms. Aguirre: So, to say the least, it inched us that much closer to meeting the fund balance policy, which is your savings policy, right?

Mayor Teso: Right.

Ms. Aguirre: You all adopted it at 20% of the budget. So it inched you that much closer to it. Because with that surplus last fiscal year, you wound up, or we are going to be representing or reflecting in the financials, a fund balance of just shy of a million dollars. Which, I mean, to, the City has come a far, far way.

Mayor Teso: Yeah.

Ms. Aguirre: Okay. Just a couple of years ago, fund balance was at below \$200,000. And now, it's close to one million. Well, as of last year. So that's one really good thing. Another good thing is that the pension funding policy that you all adopt with every budget year, I think you guys have been adopting it for the last two years, was met. So in that pension funding policy, which is a State-mandate for all jurisdictions, South Tucson's Mayor and Council promised to pay the annual required contribution rate as indicated by Public

Safety Retirement System. So that was done. The reason why that is such a good thing is because going forward for next, next fiscal year, I'm not really looking at such a big, big huge jump as pertains to the annual required amount, okay? So you all made really good, according to the pension funding policy, and so that's really the intent, so long as we keep stable and we keep constant meeting that mandate, I think it's a good thing. However, there's always room for improvement, okay, which is what we're going to talk about under the next subject header. Going onto fiscal year 2021; as of December 31st of 2020, okay. When the budget was adopted, there was a certain amount that was put into contingency. You all remember that?

Mayor Teso: Yeah.

Ms. Aguirre: The actual amount that was put into contingency was about \$500,000. Now, I think it was back in February or March of last year that we had a little survey here amongst all of you.

Mayor Teso: Right.

Ms. Aguirre: To identify the priorities as you saw fit, you know, to be able to implement here in the City. Yes, we had the struggle with the pandemic and we didn't know where we were going to end up. So the most fiscally prudent approach was to say let's put it in contingency, okay, that \$400,000, almost \$500,000, see where we end up as we're coming out of this pandemic. And then we'll give you an update mid-year. Okay. So, here we are. Maybe a little bit past mid-year, but giving you that update, okay. And with regards to that, as of December 31st of last year, you pretty much met your 20% fund balance policy. So, fund balance at, what I'm showing here, 1.1 million and still had, you know, a little more than \$250,000, okay, to spare, to spare or to be counted as part of that contingency, that almost \$500,000 contingency, okay, for you to re-evaluate whether it's prudent to invest in one thing or another. The City has many needs, both in infrastructure and also departmental. Okay? Mostly Public Safety, and we know that. Okay? Another really good thing that we were able to do over the course of these two fiscal years is address that State mandate related to Public Safety Retirement System that we spoke about at the last meeting where we were given the go-ahead to proceed with complying with that State mandate. Okay? So that's, that's in here as well. So that's accounted for. The pension funding policy. That's the one that's calculated based on the budget. That's accounted for. And you met your fund balance policy. And you have a quarter of a million to spare as of December. Okay? So we hope that going forward from this point until the end of the fiscal year that we still continue to see those healthy, healthy sales (inaudible) coming through. When I come back to you all to present on some of the detail of the financials, I will share that with you as well. With that said, I think you all, it hasn't been easy, I know, but you have all made some very difficult decisions to sacrifice. But I think that, you know, seeing the effect from the benefits of that, you know, certainly on paper it, you know, it's, it's not really that tangible, but that helps, you know, the, the sacrifice was not in vain. We've been able to achieve quite a few things, especially related to State mandates, related, or as pertains to, you know, the Public Service, or Public Safety. So the next thing that I want to talk to you about is that following meeting that we're going to be having with Stifel. They are the City's financial planners. Okay? So they're the ones that helped you all get through the sale of the bonds, which in turn helped you save a couple of million dollars on the interest because they were able to cut that interest in half. Alright?

Mayor Teso: Right.

Ms. Aguirre: It went from about six and a half percent to about three, three and a quarter percent, something like that. So that was, that was significant.

Mayor Teso: Yeah.

Ms. Aguirre: Over the course of this year and the next two, our bond payment is \$400,000 so that helps as well. The whole thing is what about having that same approach with the pension debt. We know that the pension debt keeps increasing because there are so many variables. The actuaries change the formula, now they're saying people are living much longer, now they're saying that we owe more, you know, year to year on the pension benefits. Oh, there was a lawsuit so now we know it's so many changes. And it truly is unpredictable. All we know is that it's been going up and up and up. And that puts a strain on the budget. At the same time, that calculated debt has a 7.5% interest tied to it, 7.5 interest. So, you're looking at about \$14,000,000 in unfunded pension debt, which I know that you've all seen in the actuarial report, \$14,000,000. So, what Stifel is going to be coming down to show you all and he's not coming down by himself. There's going to be a representative from Public Safety Retirement System with him and also a couple of representatives from the League to analyze the issue from the Legislative side and see what is available to do, if anything. Okay? But this is the same team that's been going around helping a lot of counties because there's quite a few counties, including cities, I think I shared it with you the, the information for Flagstaff, which was one of the first ones to, to perform this.

Mayor Teso: Right.

Ms. Aguirre: So that's essentially what this team is going to be coming down to do, to explain to you all. The focus, the objective is taking that \$14,000,000 in unfunded debt, okay, with PSPRS, is there a portion of that that we can shift over to bonds. Because if you shift it over to bonds, not only is there a possibility of cutting down on the interest, can we cut the interest down half? That will make a significant impact on the budget. But also, it will make it a more predictable payment month to month. So, no more of these increase hikes in pensions that keep draining our budget. We want it to be something more consistent, more predictable, that we can work with. So like you all can reallocate those savings to the true needs of the City. We can reallocate those savings to Public Safety, okay? So that is a very, very important meeting that's going to be coming up. And I wanted to give you just a heads up. Remember, \$14,000,000. Can we shift some of that debt to a bond? Cut down that interest in half. Okay? Very important meeting. The last item I have on this bullet here has to do with the urgent needs of the Fire Department. So, not too long ago, we noticed that there was some issues related to staffing, State mandates it, problems, issues, liability, okay, which we've met. There's also issues related to staffing so you will all approve an increase, okay, in a couple of, I guess per se benefits, to help entice their participation in the program, the Reserve's participation in the program by giving them premium pay and some increases in pay. Okay? So that's already been done, taken care of, and I'm sure that the Public Safety Director can attest to how that is working out. The other thing has to do with equipment needs. Okay? So, we always make sure to utilize any possible grant that we receive to purchase the equipment that is needed for the Fire Department. Luckily, there has been little grants here and there that come through to help kind of supplement the General Fund and the expenditures that we see on that end. But there was a grant that was submitted for last year. It was for almost half a million dollars for a new fire truck. That one did not materialize. It didn't come through. The need is still there. One of the things that we're finding is that the, in accordance with the NFPA regulations, and Public Safety Director correct me if I'm wrong, there are

requirements for the age and the condition of a fire truck. Okay? And I don't think we meet one or the other. Maybe both. But consistently, we've been having some trouble, okay, and it really is a true need regardless of whatever planning needs to take place going forward with addressing debt or the operations, okay, in Fire or Police, or, or Fire, this is an immediate need now.

Mayor Teso: Yeah.

Ms. Aguirre: Okay. So, with that said, some of the expenditures have been covered by the General Fund, others have been covered by CDBG for the repair, but it's just a continuance. And I don't know, Chief Amado, if you want to chime in on that and give a little more perspective on that.

Chief Amado: Absolutely. Mr. Mayor, members of Council, I think what you just heard is our Finance Director saying that right now we're afloat. And that we're doing okay financially because of some tough decisions made and because of some, some homework, some research, a lot of hard work on the part of the Finance Director, the Finance Department, on trying to keep us, like I said, afloat. In regards to the Fire Department, if there's going to be any department that sinks us for being afloat, it's going to be the Fire Department. And I say that with a lot of conviction, especially now that I'm going into my fourth year as the Public Safety Director, the Administrator over the Fire Department. I do have challenges in the Police Department with staffing. I have, I'm down two positions in the Police Department, potential of a third. When you only have nine patrol officers, that hurts. And when you have officers that are working 12, 14 hour shifts just to cover, including Command staff, that's not for an ideal situation. Financially, though, and I know it's probably not saying much, we've got more grants available on the Police Department. We have more resources. We have IGA's that can help us; like with the DEA, RICO, Marshall's Office, the Gang Unit. I can't say the same for the Fire Department. What we have is TFD. And I can tell you after the last fire, the Tucson Fire Department is getting very impatient. And I have the emails to prove it. And the Interim City Manager and the Finance Director are well aware of this. The Fire Department, right now, and you received my assessment in October as the Interim City Manager stated. It was a very candid, very direct, very blunt assessment. But I respect all of you and I respect that, expect that you will see that and understand the dire situation there. The pension situation that was discussed at the previous meeting that the Finance Director talked about, yes, the Finance Director, the City was able to wipe the slate clean for now. Because we're still having challenges in staffing. The bump helped. Okay? The extra money and the premium pay given was at least a way of saying we do appreciate you and we do want you to work with us. But there are other factors involved. And this comes from talking to the Reserves, as well as from the questionnaire that they finished last year. And one of those at the top of the list is safety. I will, once again, state and I know I'm on record stating this, there are very many NFPA violations in the Fire Department. That's the National Fire Protection Association. The Finance Director mentioned the fire truck. That should've been replaced ten years ago. It is now going on its 26th year of service. And as I understand, we didn't even purchase it refurbished. It was already used. That thing breaks down almost consistently every week or every other week and we have the mechanic out here rushing purchase orders, emergency purchase orders to Finance, or getting the credit card to purchase parts. The backup truck is not that much better. It's not. So, NFPA states that should've been replaced a long time ago. And we've looked at some refurbished trucks. They're not cheap by any means. And a brand new truck can easily run you three quarters of a million dollars. And of course we cannot afford that. But the NFPA does state that if you find a good refurbished truck that has been redone, chassis and apparatus, and it is two separate components, chassis is what has the engine, the suspension on that. The apparatus is the actual

equipment in the back; the pumper, the gauges, etc. If all of that has been refurbished, you should be able to get some good years out of it, at least the ten years. But those don't come cheap; \$300,000 to \$350,000 for a decent fire truck, not a brand new one, a decent one that will work. The other violations, very quickly, that the Reserves had stated, they're not comfortable with is besides the fire truck, fire trucks, turnout gear, the stuff that they wear when they go out to fires is supposed to be fitted. We have 34 Reserves, maybe a little bit more; two fulltime Captains. Each one of those pieces of equipment easily runs five to seven grand. We're not gonna be able to afford to buy each one, especially when we have some that don't stay with us much, very long, or they don't work with us a lot. So I've seen this for myself. This is actually how one is fitted. You take a piece of turnout gear. You go to the new fire fighter that's with us and you go, oh, that looks to be about your size. And then you put it back. I think anybody from the NFPA, from OSHA, by the way, it's also OSHA standard, would probably drop over and go, you can't do that. It's supposed to be fitted for safety reasons so that you don't have any gaps. So that you don't have any comprises to the equipment. The two full-time fire fighters working and relying on Reserves is not working. And I put that in my assessment. So what got us in trouble? Us, meaning the City, with pensions, working Reserves on a full-time basis just to fill gaps and then being on the hook for the pensions. I could see that still happening because I'm not going to have one fire fighter out there on a shift. I get calls, texts from the two full-time Captains, from the Acting Captains, "I'm running short today. I've got one." You know, "My, my second got called, you know, the second person on shift got called to his full-time job. The third called in." Luckily, it doesn't happen often, but it happens. More often than not, I get the text, or the email, or the phone call that says we've got two on today. Okay. Make it work. There's a lot of things that the Fire Department does not have going in its favor. But I will tell you what is going in its favor with the community response time. They're going to get there a lot quicker than the Tucson Fire Department because they're the City's Fire Department. But they can't get there in enough time if their truck breaks down, which is what happened here at McDonald's not too long ago that it had to be towed and the fire fighters walked back. Or when they get to a house and they turn on the pumper, and the water doesn't come out. Now, all of these things TFD takes notice of. And guess who gets the phone call, or who gets the email. The last fire, I had direct communication with Chuck, Chief Ryan from the Tucson Fire Department, assured him that we were working on it as a City, that we were working on it as Department Heads, that we're not ignoring it, we're not kicking the can down the road. Because as he said very, very directly to me, "I have bosses to answer to, and my boss has bosses to answer to, and questions are being asked." And this you've already heard before from the last fire we had at the Spanish Trail. You know, I understand. Councilman Fimbres is going to have constituents rightfully asked, "Why are our resources down in South Tucson again? How many, you know, engines and stations did we send this time? What are they doing? What if something happens in my neighborhood? What if something happens at my house? Are you going to be able to respond?" Conversely, if they're here helping us and they get a priority call, guess where they're going? To that priority call in their jurisdiction to their taxpayers, to their constituents, as we would. So, the way the Fire Department is being funded now, the way it's being staffed now, and I said it in my assessment, is not sustainable. It continues to be a liability to the City, a financial liability, and a safety liability for the fire fighters. I cannot stress that enough. So we brought that forward. Financially, yeah, for now. And as a Department Head, that's kind of how I see it. I don't know what kind of magic the Finance Director has worked, but she's made it work. She's done it, along with the help from the financial advisors and others, and we are grateful for that. We want to keep it that way. We want to stay in the black. We want to be able to stay, you know, not only just afloat, but to move forward. Right now, our anchor is that Fire Department. It really is. That's what's going to hold us back. I'll get off my soap box now.

Mayor Teso: Anybody have any questions for the Chief?

Vice-Mayor Lopez: I do. How much, how much would it cost to replace the fire truck, a used one? Three hundred thousand, you say?

Chief Amado: Uh, ...

Vice-Mayor Lopez: Five hundred thousand?

Chief Amado: A reasonable estimate, based on the research that we've done, the very minimum is going to be \$300,000; \$325,000 to \$350,000 is a more realistic price range. There is more available out there in good shape for that price. Now I will tell you Capt. Leyvas, God bless him, in looking for a deal, he found one in Green Valley. A fire truck for \$50,000. You know that old saying that it's too good to be true? It was too good to be true.

Mayor Teso: Yeah.

Chief Amado: That fire truck was used. It was not refurbished and the company went out of business in the early 2000's. So, finding parts for it is going to be next to impossible. And it was actually our mechanic, Andy Corona, that recognized that because he is a retired mechanic from the City of Tucson that worked on fire trucks. He says, "Oh, yeah. Where are you gonna get the parts for this?" Oh, good question. So, we don't want to save money and then end up having to spend more money. We might as well just do it right in the first try. So, yes, to answer your question, \$325,000, \$350,000 would be a reasonable amount, a realistic amount for a good fire truck. And that replaces the first out. The first out is Engine 141. That's the primary. That's the pumper. 142 is the back up. That's the one to be used in case 141 is out.

Vice-Mayor Lopez: Okay.

Mayor Teso: Where are these trucks located at?

Chief Amado: All over. You mean like the, the ...

Mayor Teso: I mean are ...

Chief Amado: ... (inaudible)?

Mayor Teso: ... they in Arizona? Are they in?

Chief Amado: The one that we ...

Mayor Teso: Back east?

Chief Amado: ... were looking at was actually in Alabama. But they have brokers throughout the country.

Mayor Teso: Yeah, okay.

Chief Amado: They have brokers, well, we were working with one out of Phoenix who is working with a refurbishing company out of Alabama, but they're also in Wisconsin. They're in Indiana. A lot of them are in the Midwest. A great deal of them are in the Midwest. So, I mean we, there's a way to shop around.

Mayor Teso: Right.

Chief Amado: But we can't find anything below \$300,000 that's going to suit our needs and not be a liability that we're spending a lot of money on.

Ms. Aguirre: Yeah, and the reason why we know that is because when we had the discussion about the need for a new pumper or a refurbished pumper, the cap I kind of gave them was \$200,000 to \$250,000. I said no more. Let's make that happen. But just, the, the types of units that they were forwarding to us did not fit within that realm, you know, identified by the NFPA as recommendable. And that's the reason why I said, okay, well, let's try, let's make \$350,000 the cap. If you get anything cheaper than that, then that will be good. But one of the reasons why going this route with the refurbished unit is good is because they tend to get, they're certified and they're under warranty. So the person who refurbished them is selling you a product that it promises to take care of for you should you have additional problems in the future. Now, ...

Mayor Teso: Is this like a ten-year warranty or what?

Ms. Aguirre: Do you recall, Chief?

Chief Amado: I don't, but I think like any other extended warranty, you can buy for terms.

Mayor Teso: Okay.

Chief Amado: Five years, seven years, ten years, and of course they roll that into the finance price.

Mayor Teso: Right.

Ms. Aguirre: So, some of the units, and this is just in researching and asking them for some potential units, there was maybe one or two that looked really, really good within that range. And so the reason why this ties into the discussion right now is because yes, there's many needs but this is an immediate need that the Fire Department has. We don't know what direction we'll be taking moving forward, but I mean we need to comply and you do have some savings as of December. If I were to give any recommendation, it would be to use at least \$150,000 from those savings to put as down payment for a truck in that realm. Of course, we know what the length of payment terms we're looking for and the interest rate, too. Because we want that payment to also be reasonable year over year. So, in my mind, and what I've worked out without having to do the financing just yet, doing that, \$150,000 down payment, maybe a five-year term, you know, a reasonably low interest, we're looking at about a \$30,000 a year, which is doable. Which is really reasonable, really doable, and I think it's something that, it's worth (inaudible).

Chief Amado: And I would agree with the Finance Director. If we're looking at priorities, that fire truck is definitely a priority. It's a reachable, gainable goal. Obviously, I'd like to have more full-time fire fighters, but we're talking pension costs, we're talking salary. But at least by replacing the first out pumper, I'm hopeful that that will also give some of our Reserves more cause to come in and not feel so unsafe. That's at least a step forward as opposed to doing nothing. And that truck is nickel and diming the City.

Mayor Teso: Yeah, it is.

Chief Amado: Parts for the truck are not cheap. It's not like going out and getting parts for a Chevy or a Chrysler. The Pearce trucks which are some of the best trucks out there, which is what our truck is, they're not cheap. But luckily, there are still parts available for them and there will be for some time. They're a strong company. That's the industry standard. Matter of fact, Green Valley is selling their old outdated no longer in business defunct company truck and by Pearce. Because they know that that's the standard. And that, that keeps them safe. It keeps us in compliance, at least that portion of it. And it assures a better chance of getting to your homes or businesses in a timely manner and actually having a pumper that works and a truck that starts and stops, 'cause there was a brake issue as well. And that pumper almost go into another house next door because it wasn't stopping.

Mayor Teso: If it starts, it has to stop.

Chief Amado: Yeah.

Acting Mayor Oyegbola: Mr. Mayor, I just wanted to, to add we, we seriously consider what the Finance Director and the Public Safety Director is saying. For me, I'm here quite a bit. I'm here on Saturday (inaudible) on Sunday in the office. And I hear that truck go in and out, in and out, in and out. I'll come probably about 7:00 a.m. and the mechanic is in there cussing at the, at the fire truck, trying to fix it. (Inaudible) I, I watch it ...

Chief Amado: Sorry you ...

Acting Mayor Oyegbola: ... every ...

Chief Amado: ... had to hear ...

Acting Mayor Oyegbola: ... weekend.

Chief Amado: ... that.

Acting Mayor Oyegbola: Every weekend I watch him trying to fix one of those trucks. So, I hope we seriously consider, especially being so disciplined in having at least an opportunity to be able to do this. That's all I'm saying. Thank you.

Mayor Teso: Thank you.

Chief Amado: Mr. Mayor, to this point, approximately 80%, if not a little bit more of our calls are medical calls. I've heard the question asked before why say the Command truck isn't taken out there. That's not in such good shape either, but the real reason is they take a truck out to, with gear to a medical call. If they get a fire call from there, they don't have to come back to the station. They're already equipped. They can roll from the medical call to the fire call and be ready to address that and attack the fire. So that's, he's right, it is in and out.

Mayor Teso: Yeah.

Chief Amado: Especially evenings and night because of the medical calls. And those medical calls are a matter of life and death. Any further questions or?

Mayor Teso: Well, I, I know, I hear us talking about the fire truck right now, but also you're talking about the equipment and ...

Chief Amado: Yes.

Mayor Teso: ... the, do we have an answer for that? I mean what, what ...

Chief Amado: We were, well, I'll tell you. We were fortunate enough to get a grant from Firehouse Subs for \$22,000.

Mayor Teso: Right.

Chief Amado: That bought us, I think it's seven, maybe eight pieces of turnout gear, 'cause the turnout gear is very expensive. So the turnout gear, of course, is the outer carrier, the coat, the boots, the gloves. That's all part of the turnout gear. But again, we have that. It's new gear, but we're not going to specifically tailor it for any one individual because there's a good chance they're not going to work because we have Reserves.

Mayor Teso: Yeah.

Chief Amado: So we have to continue the practice, in order to make it last, of well, this is about your size. You look to be about a medium. This will fit. Otherwise, we could specifically fit that gear to some fire fighters ...

Mayor Teso: Right.

Chief Amado: ... and they may leave. Or they may say, you know, my, this has happened, "My agency will not let me work at another agency any more." We lost Reserve fire fighters to that. The Tohono O'odham Fire Department just recently put out that, that directive that they were restructuring, they were re-evaluating the Fire Department, so they told their fire fighters, "You can't work anywhere else. You can't work in South Tucson any more or anywhere else." So we lost some fire fighters from that. So if that happens, now we have a piece of turnout gear that we're not investing into a full-time fire fighter. And I guess that's my point. If we invested in a full-time fire fighter, then of course we're going to invest time, money, gear, training in hopes of

a long-term commitment from that fire fighter. Really, right now, the Reserves are, are not just by the very nature of their positions, they're, they're not committed to the City of South Tucson.

Mayor Teso: Right.

Chief Amado: They, and I've been told they do it for training. They do it to get their Certs. They get good experience here. And they have full-time jobs somewhere else. And that, that is their priority, not the City of South Tucson. Now add to that, the challenges with safety, with equipment and they go, you know, and actually, I'd say we've been in the process and the City Manager and her role as H.R. Director, has been in the process of actually cutting some of those fire fighters that are not working for us any more so to free up those spaces, so to speak. And to cut that dead weight as one of the fire fighters said. Because they're on there on the roster, but they're not working. They haven't worked, say, for a year. So we want to be able to recruit, and we've even looked at redoing the recruitment so that we're more directly involved. We have more direct questions of them, asking them about their commitment, what their plans are, rather than just filling spots, which is, in essence, what we did three years ago now when the fire fighters left. We were just looking to replenish the spots. But we need to do more of our due diligence in making sure that we hire the right folks. You know, and, and that's, that's the steps that we're taking with what we have to work with. You know, and the money that we have. That's where we're at.

Mayor Teso: First priority is the truck.

Chief Amado: Yes, sir.

Mayor Teso: Yes?

Ms. Aguirre: So, yes, first priority is a truck, Mr. Mayor. But we don't want to lose focus also that's related to that next meeting, that restructuring of that debt. If we can shift that debt, it helps your budget and then maybe you can start looking at properly staffing. So that's the little steps. You know, looking at fire truck, okay. We want to make sure that they're safe. We're not, you know, throwing money down the drain fixing the old one. They need something that is good, reliable. But then also, we gotta fix that debt problem, okay, reduce it, the unfunded pension liability, some way or another, or a portion of, so that you guys can all start looking to rebuild, possibly hire, okay? And then we can enter those conversations afterwards. You know, once we see where these conversations with the financial advisers take us, then the next conversation's well, what kind of people do we hire? Okay? So, that's just the chain, the order we want to take it in.

Chief Amado: They're little steps, but the little steps moving forward.

Ms. Aguirre: Correct.

Chief Amado: As opposed to not moving at all, or moving backwards.

Ms. Aguirre: Correct. But everything has to be, you know, strategized, planned. We don't want to lose money. We want to stay afloat.

Mayor Teso: Okay.

Chief Amado: Thank you all.

Mayor Teso: Thank you.

Vice-Mayor Lopez: Thank you, Chief.

Mayor Teso: Okay. So, still being on, we're moving to #11, right?

Ms. Moreno: Yes, Mayor, members of the Council, unless you want to have more discussion about the needs of the Fire Department, I think both the Finance Director and the Chief conveyed ...

Mayor Teso: Right.

Ms. Moreno: ... to you exactly what the needs were, the priorities and the plan moving forward. But I, I just want to point out and, you know, pick up on what the Chief said, this doesn't go without a sacrifice. And, you know, Lourdes sees red all day and I think for a moment here, she's starting to see black. But that doesn't mean let's go on a shopping spree either. It means that the City was able to meet with the obligations of having that 20% and according with that funding policy, which says a lot, I think, for those of us who have been here for over a decade. I know Councilwoman Romero and Councilman Diaz, we've seen where we've been like way under. Some of you have been here, too, where like Lourdes mentioned, you know, negatives, the, the hundreds of thousands.

Mayor Teso: Yeah.

Ms. Moreno: So, to have that 20% in the funding policy says a lot about not only the Council for allowing us to adhere to those policies, but also to the Department Heads and to the staff because it truly is a sacrifice because these are the lowest staffing levels I've ever, ever seen on record. I mean just looking at what the Chief mentioned with Police with nine officers, you know, manning a 24/7 operation. You see the Fire Department, you know, manning a 24/7 operation with two full-time, you know, we're at the mercy of the Reserves for (inaudible).

Mayor Teso: Yeah.

Ms. Moreno: Public Works is down to four to five full-time employees. You have one staff person in the front office. You have one staff person in Planning. One Building Official, one Code Enforcement. I'm going to go down the line because I think it's important. We have the lowest staffing levels in our Court. And Judge, we had more Court Clerks than what you see now that would've been able to help you now if you would've been able to see that. You know, as the Chief mentioned, I'm also the H.R. Director and City Clerk. Not that I'm complaining, but it just goes to show that we are all willing to help the City, you know, move forward and make sure that those priorities are, are done and all for the community. I think it's important that our community has the, the best of Public Safety, the optimal levels of service that they deserve. And so, after this and once Mayor and Council gives us direction to proceed, proceed with shopping around and looking at

what's the best deal for the City, you will hear Stifel, who is our financial advisors come and tell you what your options are as far as reducing that pension. And hopefully, you know, in the long run be able to fully staff Public Safety for both Police and Fire. So, thank you, Lourdes, for going through that. It was very easy to understand and I know, again, it doesn't go without a sacrifice. So, thank you.

Ms. Aguirre: Thank you.

Mayor Teso: Thank you.

Vice-Mayor Lopez: Thank you.

Ms. Aguirre: Thank you all.

Acting Mayor Oyegbola: Thank you.

Mayor Teso: Okay. Moving onto Item #11.

ITEM #11 – DISCUSSION & DIRECTION: FIRE DEPARTMENT NEEDS

Ms. Moreno: So, Mayor, members of the Council, once again, we're asking for a motion as we're recommending to move forward with.

Ms. Aguirre: To shop around.

Ms. Moreno: To shop around for the, an apparatus for the Fire Department.

Mayor Teso: Right.

Acting Mayor Oyegbola: Mr. Mayor, I'd like to make a motion.

Ms. Moreno: Mr. Oyegbola.

Acting Mayor Oyegbola: Allowing the Finance Director and staff to shop around for the Fire Department's equipment that's sufficient to their needs, moving forward, that they get everything they need to make the most.

Vice-Mayor Lopez: I second it.

Ms. Aguirre: Mr. Mayor and Acting Mayor, I don't know if it's prudent to also gather your take on whether those conditions that I mentioned are acceptable to you all. You know, to shop around, having in mind, you know, giving a portion as a down payment. And then financing the rest.

Mayor Teso: Yeah, absolutely. I think we need to be able to include that in there.

Acting Mayor Oyegbola: Okay.

Mayor Teso: In terms of direction. Mr. Yu?

Mr. Yu: Mayor, members of the Council, is the motion being amended or is it still?

Mayor Teso: Yeah, I think you have to amend it, put, put that in there.

Acting Mayor Oyegbola: So we're going to add the down payment part and then, okay. So, let me, I can do it over. Mr. Mayor, I'd like to make a motion that we approve and allow the Finance Director, Public Safety Director and staff to be able to put a down payment down and research, and do whatever is needed to see what's the best fit for the City of South Tucson's Fire Department needs, fiscally responsible direction which is giving the Finance Director direction for Fire Department.

Vice-Mayor Lopez: Second.

Acting Mayor Oyegbola: As sufficient.

Mayor Teso: Second. You got it covered?

Acting Mayor Oyegbola: Yeah.

Mayor Teso: Do we have any other discussion?

(No discussion from the Council)

Mayor Teso: If not, we'll move to Roll Call.

Mayor Teso: Ms. Romero.

Councilwoman Romero: Aye.

Mayor Teso: Mr. Diaz.

Councilman Diaz: Aye.

Mayor Teso: Mr. Oyegbola.

Acting Mayor Oyegbola: Aye.

Mayor Teso: Mr. Lopez.

Vice-Mayor Lopez: Yes.

Mayor Teso: Aye. Motion carries.

Mayor Teso: Moving onto Item #12.

ITEM #12 - ADJOURNMENT

Mayor Teso: Do we have a motion?

Vice-Mayor Lopez: Mr. Mayor, I make a motion we adjourn tonight's meeting.

Mayor Teso: Do we have a second?

Acting Mayor Oyegbola: Second.

Mayor Teso: Ms. Romero.

Councilwoman Romero: Aye.

Mayor Teso: Mr. Diaz.

Councilman Diaz: Aye.

Mayor Teso: Mr. Oyegbola.

Acting Mayor Oyegbola: Aye.

Mayor Teso: Mr. Lopez.

Vice-Mayor Lopez: Yes.

Mayor Teso: Aye. We are adjourned.

Acting Mayor Oyegbola: Thank you to all the staff members for all of your hard work.

The meeting adjourned at 7:04 p.m.

Mayor

ATTEST:

Veronica Moreno, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the City Council of South Tucson, Arizona, held on the 16th day of February, 2021. I further certify the meeting was duly called and a quorum was present.

Dated this _____ day of _____, 2021.

Veronica Moreno, City Clerk